

Appropriation: Services Charges, Deposits, and Forfeitures

APPROPRIATION LANGUAGE SHEET

For administrative expenses and other costs related to processing application documents and other authorizations for use and disposal of public lands and resources, for costs of providing copies of official public land documents, for monitoring construction, operation, and termination of facilities in conjunction with use authorizations, and for rehabilitation of damaged property, such amounts as may be collected under Public Law 94-579, as amended, and Public Law 93-153, to remain available until expended: Provided, That, notwithstanding any provision to the contrary of section 305(a) of Public Law 94-579 (43 U.S.C. 1735(a)), any moneys that have been or will be received pursuant to that section, whether as a result of forfeiture, compromise, or settlement, if not appropriate for refund pursuant to section 305(c) of that Act (43 U.S.C. 1735(c)), shall be available and may be expended under the authority of this Act by the Secretary to improve, protect, or rehabilitate any public lands administered through the Bureau of Land Management which have been damaged by the action of a resource developer, purchaser, permittee, or any unauthorized person, without regard to whether all moneys collected from each such action are used on the exact lands damaged which led to the action: Provided further, That any such moneys that are in excess of amounts needed to repair damage to the exact land for which funds were collected may be used to repair other damaged public lands. (Department of the Interior and Related Agencies Appropriations Act, 2005.)

AUTHORIZATIONS

<i>The Mineral Leasing Act of 1920, as amended by the Trans-Alaska Pipeline Act of 1973, §101 (30 U.S.C. 185)</i>	Authorizes rights-of-way for oil, gas, and other fuels. It further authorizes the Secretary to issue ROW and other land use authorizations related to the Trans-Alaska Pipeline. Rights-of-way applicants and permittees are to reimburse the U.S. for all costs associated with processing applications and monitoring pipeline construction and operations.
<i>The Alaska Natural Gas Transportation Act of 1976 (15 U.S.C. 719)</i>	Authorizes the granting of certificates, rights-of-way permits, and leases.
<i>The National Environmental Policy Act of 1969 (42 U.S.C. 4321, 4331-4335, 4341-4347)</i>	Requires the preparation of environmental impact statements for Federal projects that may have a significant effect on the environment.
<i>The Wild Free Roaming Horse and Burro Act of 1971, as amended by the Public Rangelands Improvement Act of 1978 (16 U.S.C. 1331-1340)</i>	Authorizes adoption of wild horses and burros by private individuals under cooperative agreements with the Government.
<i>The Public Rangelands Improvement Act of 1978 (43 U.S.C. 1901-1908)</i>	Establishes the policy of improving Federal rangeland conditions and facilitates the humane adoption or disposal of excess wild free-roaming horses and burros.

SUMMARY OF REQUIREMENTS (\$000)

	2004		2005		Uncontrollable & Related Changes		Program Changes		2006 Budget		Inc(+) Dec(-)	
by Activity/	Actual		Enacted		(+/-)		(+/-)		Request		from 2005	
Subactivity	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount	FTE	Amount
Service Charges, Deposits, & Forfeitures	99	0	143	0	0	0	25	0	168	0	25	0
Service Charges, Deposits, & Forfeitures	99	16,499	143	20,055	0	0	25	12,885	168	32,940	25	12,885
Offsets		-16,499		-20,055		0		-12,885		-32,940		-12,885
Right-Of-Way Processing	71	7,448	100	8,025	0	0	0	+4,125	100	12,150	0	+4,125
E&M Cost Recovery	0	640	5	1,840			+25	+8,760	30	10,600	+25	8,760
Adopt-A-Horse Program	0	1,008	0	1,225	0	0	0	0	0	1,225	0	0
Repair of Damaged Lands	12	3,462	22	5,000	0	0	0	0	22	5,000	0	0
Cost Recoverable Realty Cases	3	649	3	515	0	0	0	0	3	515	0	0
Timber Contract Expenses	1	74	1	50	0	0	0	0	1	50	0	0
Commercial Film & Photography Fees	0	0	0	200	0	0	0	0	0	200	0	0
Copy Fee Account	12	3,218	12	3,200	0	0	0	0	12	3,200	0	0

Appropriation: Service Charges, Deposits, and Forfeitures (Indefinite)

ACTIVITY SUMMARY (\$000)

Subactivity	2004 Actual Amount	2005 Enacted Amount	Uncontrollable & Related Changes (+/-) Amount	Program Changes (+/-) Amount	2006 Budget Request Amount	Inc(+) / Dec(-) from 2005 Amount
Right-Of-Way Processing						
\$	7,448	8,025	0	+3,885	12,150	+3,885
FTE	71	100	0	+5	105	+5
E&M Cost Recovery						
\$	640	1,840	0	+9,000	10,600	+9,000
FTE	0	5	0	+20	25	+20
Adopt-A-Horse Program						
\$	1,008	1,225	0	0	1,225	0
FTE	0	0	0	0	0	0
Repair of Damaged Lands						
\$	3,462	5,000	0	0	5,000	0
FTE	12	22	0	0	22	0
Cost Recoverable Realty Cases						
\$	649	515	0	0	515	0
FTE	3	3	0	0	3	0
Timber Contract Expenses						
\$	74	50	0	0	50	0
FTE	1	1	0	0	1	0
Commercial Film & Photography Fees						
\$	0	200	0	0	200	0
FTE	0	0	0	0	0	0
Copy Fee Account						
\$	3,218	3,200	0	0	3,200	0
FTE	12	12	0	0	12	0
Total Dollars						
\$	16,499	20,055	0	+12,885	32,940	+12,885
FTE	99	143	0	+25	168	+25

PROGRAM OVERVIEW

Rights-Of-Way Processing and Energy and Minerals Cost Recovery – The BLM currently recovers costs for the processing of these applications and other documents from applicants. These funds are deposited in the Service Charges, Deposits, and Forfeitures account and used by BLM for labor and other expenses of processing rights-of-way applications. In 2005, the BLM will promulgate regulations allowing it to collect processing costs from applicants for energy and mineral permits. Those funds will be spent from two subactivities.

Subactivity: Rights-Of-Way - ROW processing is funded through a combination of applicant deposits made into this indefinite appropriation and a direct appropriation of funds in the Management of Lands and Resources appropriation--Lands and Realty Management subactivity.

BLM recovers a portion of the processing costs of ROWs issued pursuant to the *Mineral Leasing Act* and the *Federal Land Policy and Management Act*. Regulations set fee schedules according to the type and size of the project. On average, BLM's cost is \$5,000 to process a right-of-way application. The regulations allow the BLM to assess applicants for the actual costs to process large scale ROW projects, which are usually for oil and gas pipelines, electric transmission lines, wind energy sites, or other projects associated with energy development. Twenty percent of BLM's rights-of-way applications are for these types of projects.

At least 80 percent of the ROW projects are for smaller scale projects such as short roads, well gathering lines, and electric lines. For the smaller scale projects, which cost an average of \$600 each to process in 2004, regulations set out a graduated fee schedule which assesses a flat rate depending on the estimated amount of work to process the application. For these projects, the BLM recovers 50 percent of the actual costs of each rights-of-way application. It is estimated that the proposed regulations will allow the BLM to recover 80 percent of the actual costs of these types of applications. This cost recovery proposal, based on the promulgation of new regulations, was originally proposed as part of the 2004 President's Budget Request; the BLM estimates that it will finalize the new regulations in 2005.

Only those costs directly associated with processing an application or issuing a ROW grant are charged to an individual project. Costs of land use planning or studies to determine placement of ROW corridors, and other general costs that are applicable to more than one project, cannot be charged to the individual rights-of-way project. These costs are funded entirely from the MLR appropriation.

The BLM currently maintains more than 89,000 ROW authorizations. The Bureau will continue to expedite the granting of ROWs by processing applications, issuing permits, and monitoring construction involved with the operation and termination of cost-recoverable ROWs on the public land as authorized by the *FLPMA* and the 1973 amendment to the *Mineral Leasing Act*.

Subactivity: Energy and Minerals Cost-Recovery - The BLM plans to publish regulations in 2005 which will require that industry pay higher fees for document processing of oil and gas leases and permits, coal leases, and other mineral materials leases, in order to recover a portion of the cost of providing access to public lands. With the new regulations, in 2006, the BLM estimates it will collect \$10,800,000 more than the 2004 level, if industry demand for energy and minerals leases and permits continues at current levels. The funds collected from this cost recovery regulation will be deposited in the Service Charges, Deposits and Forfeitures

account. Implementing cost recovery should improve the efficiency and effectiveness of this component of the energy and minerals program, enabling it to be timelier in its responsiveness to industry demand and workload.

After the funds are deposited, they will be expended by the BLM for labor and other costs to process these leases and permits. It is uncertain when collections will be received during the fiscal year and how much will be collected. Due to this uncertainty and the normal amount of lead time required to prepare contracts and hire staff, BLM estimates a portion of the 2006 receipts may be used in 2007 and subsequent years.

Subactivity: Adopt-a-Horse Program - The BLM conducts adoptions throughout the year for wild horses and burros on public lands. In 2006, the BLM anticipates making 7,600 animals available for adoption to qualified applicants. The BLM places animals in adoption primarily through a competitive bidding process, receiving a minimum of \$125 per horse or burro to offset veterinary, transportation, and animal maintenance costs.

Subactivity: Repair of Damaged Lands - Under the FLPMA, the BLM is authorized to collect for land damaged by users who have not fulfilled the requirements of contracts or bonds. If a funding excess exists after repair has been made to the exact land for which funds were collected or forfeited, then BLM may use these funds to improve, protect, or rehabilitate any damaged public land.

Summary of Program Changes

2006 Program Changes

	2006 Budget Request	Program Changes (+/-)
\$(000)	22,750	+12,885
FTE	130	+25

Energy and Minerals Cost-Recovery (+\$9,000,000) – Under new regulations to be published in 2005, the BLM estimates it will collect as much as \$9,000,000 more than the 2005 level, if industry demand for energy and minerals leases and permits continues at current levels.

After the funds are deposited, they will be expended by the BLM for labor and other costs to process these leases and permits. It is uncertain when collections will be received during the fiscal year and how much will be collected. Due to this uncertainty and the normal amount of lead time required to prepare contracts and hire staff, BLM proposes to use most of the estimated 2006 receipts in 2007 and subsequent years. BLM proposes a small, partial offsetting decrease in its energy and minerals programs, but only for the portion which could be practically applied to operations in 2006. Energy and Minerals cost recovery fees will allow BLM to process 500 more applications for permits to drill (APDs) and 250 more lease transactions in 2006.

Rights-Of-Way Processing and Energy and Minerals Cost Recovery (+\$3,885,000) – The BLM currently recovers costs for the processing from applicants. These funds are deposited in the Service Charges, Deposits, and Forfeitures account and used by BLM for labor and other

expenses of processing rights-of-way applications. In 2005, the BLM will finalize regulations allowing it to collect processing costs from applicants for energy and mineral permits. The new regulations will revise the BLM's cost recovery policies and procedures for issuing right-of-way (ROW) grants. The regulations will also adjust cost recovery fees to take into account cost increases that have taken place since the previous regulations became effective in August 1987. The BLM estimates that the proposed regulations will allow it to recover 80 percent of the actual costs of processing ROW applications, which will result in an increase of \$3,885,000 in these collected fees in 2006. These funds will be spent from this same subactivity.

BLM recovers from applicants only those costs directly associated with processing an application or issuing a ROW grant. Costs of land use planning or studies to determine placement of ROW corridors, and other general costs that are applicable to more than one ROW grant, are not recovered from applicants. These costs are funded entirely from the Management of Lands and Resources appropriation.

* Budget Schedules

UNAVAILABLE RECEIPTS (MILLION \$)

Identification code: 14-5017-0		2004 Act	2005 CY	2006 BY
	Unavailable Receipts (N)			
	Receipts			
0220	Service charges, deposits, and forfeitures, BLM [14-501710-0-R-200403]	16	20	33
	Appropriations			
0500	Service charges, deposits, and forfeitures [14-5017-0-P-4020]	-16	-20	-33
0799	Balance, end of year	0	0	0

PROGRAM AND FINANCING (MILLION \$)

Identification code: 14-5017-0		2004 Act	2005 CY	2006 BY
	Program and Financing (P)			
	Obligations by program activity			
0001	Right-of-way processing	7	9	12
0002	Adopt-a-horse program	1	1	1
0003	Repair of lands and facilities	4	3	3
0004	Cost recoverable realty cases	1	1	1
0005	Copy fees	3	3	3
0006	Energy and minerals cost recovery	0	3	10
1000	Total new obligations	16	20	30
	Budgetary resources available for obligation			
2140	Unobligated balance carried forward, SOY	15	15	15
2200	New budget authority (gross)	16	20	33
2390	Total budgetary resources available for obligation	31	35	48
2395	Total new obligations	-16	-20	-30
2440	Unobligated balance carried forward, EOY	15	15	18
	New budget authority (gross), detail			
	Discretionary			
4020	Appropriation (special fund) [14-5017]	16	20	33
	Change in obligated balances			
7240	Obligated balance, start of year	2	4	6
7310	Total new obligations	16	20	30
7320	Total outlays (gross)	-14	-18	-27
7440	Obligated balance, end of year	4	6	9
	Outlays (gross), detail			
8690	Outlays from new discretionary authority	7	10	17
8693	Outlays from discretionary balances	7	8	10
8700	Total outlays (gross)	14	18	27
	Net budget authority and outlays			
8900	Budget authority	16	20	33
9000	Outlays	14	18	27

OBJECT CLASSIFICATION (MILLION \$)

Identification code: 14-5017-0		2004 Act	2005 CY	2006 BY
	Object Classification (O)			
	Direct obligations			
	Personnel compensation			
1111	Full-time permanent	6	8	11
1113	Other than full-time permanent	0	1	1
1119	Total personnel compensation	6	9	12
1121	Civilian personnel benefits	2	2	2
1220	Transportation of things	1	1	2
1252	Other services	1	4	8
1253	Other purchases of goods and services from Government accounts	3	2	2
1260	Supplies and materials	3	2	4
9999	Total new obligations	16	20	30

SCHEDULE A: POLICY (MILLION \$)

Identification code: 14-5017-0		2004 Act	2005 CY	2006 BY
	BA, Limitations, and Outlays - Policy (A)			
	Appropriation (total) [Text]			
4300	Discretionary, regular	16	20	33
9111	Discretionary, regular	7	10	17
9121	Discretionary, regular	7	8	10
9122	Discretionary, regular	0	8	0

SCHEDULE S: BASELINE (MILLION \$)

Identification code: 14-5017-0		2004 Act	2005 CY	2006 BY
	BA, Limitations, and Outlays - Baseline (S)			
	Appropriation (total) [Text]			
	Discretionary, regular			
4300	Non-Pay	0	12	12
4300	Civilian Pay	0	8	8
9111	Discretionary, regular	0	10	10
9121	Discretionary, regular	0	8	10
9122	Discretionary, regular	0	8	0

PERSONNEL SUMMARY (FTEs)

Identification code: 14-5017-0		2004 Act	2005 CY	2006 BY
	Personnel Summary (Q)			
	Direct			
1001	Civilian full-time equivalent employment	99	143	168